

CITY OF BISMARCK DEFERRED SICK LEAVE FUND
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2006

	September-06					August-06				July-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation	Policy	Month Net ROR	Market Value	Allocation	Policy	Month Net ROR	FYTD Net	FY06 Net	Ended 6/30/2006 Net	Ended 6/30/2006 Net
LARGE CAP DOMESTIC EQUITY																	
<i>Structured Growth</i>																	
Los Angeles Capital	16,814	2.2%	2.3%	1.60%	3.26%	15,892	2.1%	2.3%	2.18%	15,317	2.1%	2.3%	-3.70%	1.60%	11.12%	N/A	N/A
Total Structured Growth	16,814	2.2%	2.3%	1.60%	3.26%	15,892	2.1%	2.3%	2.18%	15,317	2.1%	2.3%	-3.70%	1.60%	11.12%	12.01%	-0.32%
<i>Russell 1000 Growth</i>				3.94%	2.75%				3.12%				-1.90%	3.94%	6.12%	8.35%	-0.76%
<i>Structured Value</i>																	
LSV	18,527	2.4%	2.3%	4.90%	1.86%	17,747	2.3%	2.3%	0.96%	17,316	2.3%	2.3%	2.02%	4.90%	15.05%	21.14%	12.22%
<i>Russell 1000 Value</i>				6.22%	1.99%				1.67%				2.43%	6.22%	12.10%	15.70%	6.89%
<i>Russell 1000 Enhanced Index</i>																	
LA Capital	33,538	4.4%	4.5%	3.71%	2.73%	31,861	4.2%	4.5%	2.09%	30,740	4.1%	4.5%	-1.11%	3.71%	11.58%	N/A	N/A
<i>Russell 1000</i>				5.06%	2.37%				2.40%				0.22%	5.06%	9.08%	N/A	N/A
<i>S&P 500 Enhanced Index</i>																	
Westridge	35,813	4.6%	4.5%	5.75%	2.60%	38,259	5.0%	4.5%	2.41%	36,793	4.9%	4.5%	0.65%	5.75%	8.77%	N/A	N/A
<i>S&P 500</i>				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	N/A	N/A
<i>Index</i>																	
State Street	12,441			5.78%	2.76%	11,818			2.06%	11,401			0.85%	5.78%	9.51%	11.47%	2.62%
Total Index	12,441	1.6%	1.5%	5.78%	2.76%	11,818	1.6%	1.5%	2.06%	11,401	1.5%	1.5%	0.85%	5.78%	9.51%	11.47%	2.62%
<i>S&P 500</i>				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	117,133	15.2%	15.0%	4.49%	2.66%	115,577	15.2%	15.0%	2.02%	111,568	14.9%	15.0%	-0.24%	4.49%	10.95%	13.63%	3.95%
<i>S&P 500</i>				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																	
<i>Manager-of-Managers</i>																	
SEI	38,582	5.0%	5.0%	-0.01%	1.39%	38,546	5.1%	5.0%	2.29%	33,972	4.5%	5.0%	-3.59%	-0.01%	13.58%	18.20%	7.84%
<i>Russell 2000 + 200bp</i>				0.94%	1.00%				3.13%				-3.09%	0.94%	16.86%	21.06%	10.38%
TOTAL SMALL CAP DOMESTIC EQUITY	38,582	5.0%	5.0%	-0.01%	1.39%	38,546	5.1%	5.0%	2.29%	33,972	4.5%	5.0%	-3.59%	-0.01%	13.58%	18.20%	7.86%
<i>Russell 2000</i>				0.44%	0.83%				2.96%				-3.25%	0.44%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY																	
<i>Large Cap - Active</i>																	
Capital Guardian	31,470	4.1%	4.0%	5.02%	0.67%	31,979	4.2%	4.0%	3.59%	28,918	3.9%	4.0%	0.71%	5.02%	28.07%	20.99%	6.90%
LSV	30,712	4.0%	4.0%	6.24%	1.91%	30,831	4.1%	4.0%	3.01%	28,031	3.8%	4.0%	1.21%	6.24%	27.09%	N/A	N/A
Total Large Cap - Active	62,183	8.1%	8.0%	5.62%	1.28%	62,810	8.3%	8.0%	3.30%	56,948	7.6%	8.0%	0.95%	5.62%	27.66%	21.92%	12.63%
<i>MSCI EAFE - 50% Hedged</i>				4.87%	0.90%				2.93%				0.98%	4.87%	26.72%	22.56%	6.89%
<i>Small Cap - Value</i>																	
Lazard	7,306	0.9%	1.0%	0.72%	0.34%	7,452	1.0%	1.0%	2.84%	6,781	0.9%	1.0%	-2.39%	0.72%	23.65%	28.06%	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				1.53%	0.70%				2.90%				-2.02%	1.53%	29.28%	32.40%	N/A
<i>Small Cap - Growth</i>																	
Vanguard	7,543	1.0%	1.0%	3.73%	1.91%	7,581	1.0%	1.0%	2.33%	6,930	0.9%	1.0%	-0.53%	3.73%	29.24%	32.39%	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				1.53%	0.70%				2.90%				-2.02%	1.53%	29.28%	32.40%	N/A
TOTAL INTERNATIONAL EQUITY	77,031	10.0%	10.0%	4.93%	1.24%	77,843	10.2%	10.0%	3.16%	70,660	9.5%	10.0%	0.47%	4.93%	27.35%	23.83%	8.67%
<i>MSCI EAFE - 50% Hedged</i>				4.87%	0.90%				2.93%				0.98%	4.87%	26.72%	22.56%	6.89%
DOMESTIC FIXED INCOME																	
<i>Core Bond</i>																	
Western Asset	172,335	22.4%	22.4%	4.45%	0.90%	173,233	22.8%	22.4%	1.81%	170,814	22.9%	22.4%	1.67%	4.45%	-0.90%	7.36%	8.59%
<i>Lehman Aggregate</i>				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	2.05%	4.97%
<i>Core Plus/Enhanced</i>																	
Clifton Group	39,751	5.2%	5.2%	N/A	1.09%	39,454	5.2%	5.2%	1.49%	39,015	5.2%	5.2%	N/A	N/A	N/A	N/A	N/A
Prudential	39,307	5.1%	5.2%	N/A	1.42%	39,050	5.1%	5.2%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	79,058	10.3%	10.4%	N/A	1.25%	78,505	10.3%	10.4%	1.49%	39,015	5.2%	5.2%	N/A	N/A	N/A	N/A	N/A
<i>Lehman Aggregate</i>				3.81%	0.88%				1.53%				1.35%				
<i>Index</i>																	
Bank of ND	75,798	9.8%	9.8%	3.10%	0.92%	75,352	9.9%	9.8%	1.05%	113,202	15.2%	15.0%	1.09%	3.10%	-1.14%	1.14%	4.90%
<i>Lehman Gov/Credit (1)</i>				3.91%	0.98%				1.58%				1.30%	3.91%	-1.52%	1.04%	4.78%
<i>BBB Average Quality</i>																	
Wells Capital (formerly Strong)	172,288	22.4%	22.4%	4.60%	1.06%	172,920	22.7%	22.4%	1.97%	170,252	22.8%	22.4%	1.50%	4.60%	-2.11%	2.63%	N/A
<i>Lehman US Credit BAA</i>				4.80%	1.13%				2.02%				1.58%	4.80%	-2.37%	2.63%	N/A
TOTAL DOMESTIC FIXED INCOME	499,480	64.8%	65.0%	4.28%	1.01%	500,010	65.7%	65.0%	1.76%	493,283	66.0%	65.0%	1.45%	4.28%	-1.39%	6.59%	7.79%
<i>Lehman Aggregate (2)</i>				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	1.84%	5.28%
CASH EQUIVALENTS																	
Bank of ND	38,178	5.0%	5.0%	1.35%	0.42%	28,752	3.8%	5.0%	0.47%	37,688	5.0%	5.0%	0.45%	1.35%	4.50%	2.71%	2.42%
<i>90 Day T-Bill</i>				1.33%	0.46%				0.44%				0.42%	1.33%	4.00%	2.37%	2.25%
TOTAL DEFERRED SICK LEAVE FUND	770,404	100.0%	100.0%	4.03%	1.27%	760,728	100.0%	100.0%	1.89%	747,170	100.0%	100.0%	0.82%	4.03%	4.30%	6.64%	5.41%
POLICY TARGET BENCHMARK				3.90%	1.11%				1.82%				0.93%	3.90%	4.18%	6.03%	5.30%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.